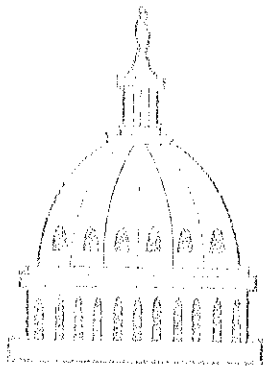
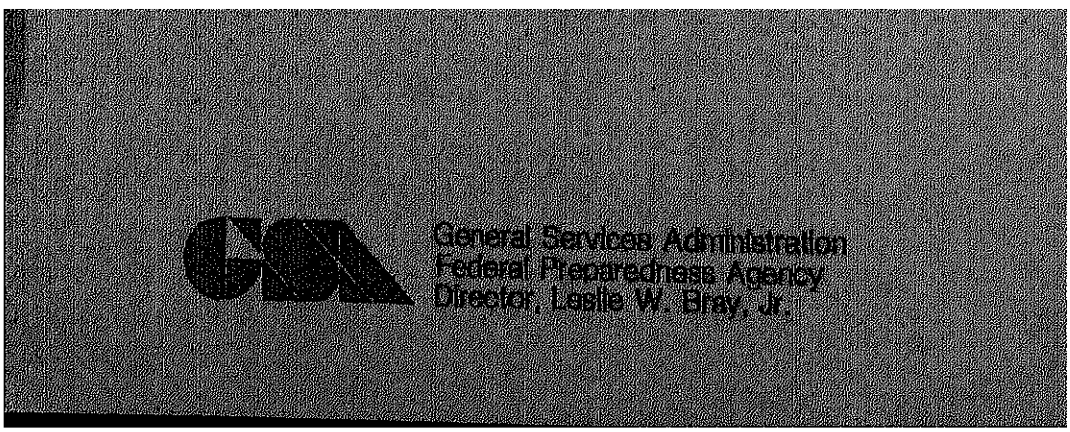


Stockpile report to the Congress July-September 1976

March 1977

General Services Administration
Federal Preparedness Agency


General Services Administration
Federal Preparedness Agency
Director, Leslie W. Bray, Jr.

UNITED STATES OF AMERICA
GENERAL SERVICES ADMINISTRATION
WASHINGTON, DC 20405

March 18, 1977

Honorable Walter F. Mondale
President of the Senate

Honorable Thomas P. O'Neill, Jr.
Speaker of the House of Representatives

Sirs:

In accordance with Section 4 of the Strategic and Critical Materials Stock Piling Act, we are submitting the Stockpile report to the Congress for July-September 1976.

A statistical supplement to this report was forwarded to the Speaker of the House of Representatives on January 13, 1977, and to the President of the Senate on January 24, 1977.

Sincerely,

LESLIE W. BRAY, JR.
Director
Federal Preparedness Agency

CONTENTS

HIGHLIGHTS

This report covers the principal activities in stockpile planning and management during July 1 through September 30, 1976, under the provisions of the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 *et seq.*). Semi-annual reports will be resumed with the next report. This report covers the transition quarter between FY 1976 and FY 1977 created by a change in fiscal year periods from July 1 through June 30 to October 1 through September 30.

The President approved new national policies concerning the United States stockpile of strategic and critical materials during August 1976 upon advice from the National Security Council. Key elements of the new policy are that (1) planning will be based on the first three years of an emergency, (2) civilian needs will be provided for, and (3) defense and civilian requirements will be estimated separately.

Effective October 1, 1976, there will be additions and deletions in the list of strategic and critical materials, and "goals" will replace "objectives." Stockpile objectives in this report refer to the difference between estimated available supply and estimated requirements of materials during the first year of a war of indefinite duration. The new goals will differ from objectives not only in that the goals will be based on planning for the first three years of a war of indefinite duration, but also in that they will be more flexible and will change when there are new developments in data, technology, and other domestic and international events that would rapidly make the static objectives obsolete. Goals, unlike objectives, will not carry the implication of planned commitments by the United States to buy or sell any specific quantities of materials in any specific time frame. Movement toward goals will be accomplished incrementally through the development of an Annual Materials Plan for acquisition and disposal, taking into account market and other economic conditions, international events, and budgetary considerations.

As of September 30, 1976, the estimated market value of strategic materials held in Government inventories amounted to $7.5 billion of which $1.5 billion was held against objectives, and $6.0 billion was in excess.

Disposals for the July-September 1976 period totaled $27.0 million. Approximately $20.8 million were from National and Supplemental Stockpiles, $5.4 million from the Defense Production Act inventory, and $0.8 million from "other sales."

PREFACE

The Federal Preparedness Agency of the General Services Administration recently chaired a one-year interagency study of stockpiling policies and procedures. The issues analyzed and the procedures proposed were presented to the National Security Council (NSC) in August 1976. Based upon advice of the NSC, the President issued new stockpile policy guidance that will substantially change the present stockpile.

The new policy calls for a materials stockpile capable of supporting United States defense requirements:

- during a major war;
- over a three-year period;
- assuming large-scale industrial mobilization (and the associated increased materials demands); and
- providing at the same time for a broad range of basic civilian economic needs to ensure the health and vitality of the wartime economy.

An important procedural change is the "variable-confidence level" approach. In this approach:

- Materials required during a war period are specifically identified in three groups (Defense, Essential Civilian, and General Civilian).
- The planning factors used to estimate the supply sources and amounts available can be varied for the different requirement groups.
- Conservative factors can be used for the defense portion of the requirements with more moderate factors for the other requirements.
- Separate estimates for each year of an assumed war and a relative priority based upon the three groups can also be used.

In the planning process, provisions have been made to:

- maintain current data and planning factors;
- develop an annual plan for acquisition and disposal–the "Annual Materials Plan"–that will be responsive to changes in national security planning, market and other economic conditions, international events, and budgetary considerations; and
- review stockpile policy guidance every four years, or sooner if required.

The new policy is based on the recognition that the stockpile goals are not static, but rather that they may change with the conditions noted above.

The new policy became effective August 23, 1976, and the new goals were announced on October 1, 1976.

INTRODUCTION

The United States stockpiles strategic and critical materials in sufficient quantities to protect the Nation against a dangerous and costly dependence upon foreign sources of supply in time of national emergency.

The authority for stockpiling is contained in the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 98 *et seq.*). The responsibility for the execution of this law was delegated to the Administrator, General Services Administration (GSA), by Executive Order 11725, dated June 27, 1973. The Administrator redelegated these functions to the Director, Federal Preparedness Agency (FPA).

This report covers the stockpiling functions of FPA for the period July 1 through September 30, 1976, which is referred to as the transition quarter between Fiscal Year 1976 and Fiscal Year 1977. The transition quarter came about as a result of Congressional action changing the fiscal year from July 1 through June 30 to October 1 through September 30. The next report will cover the first half of FY 77--October 1, 1976, through March 31, 1977. Subsequent reports will be published every six months thereafter.

This will be the final report that refers to the word "objectives" of materials. These objectives represent the estimated difference between supply and requirements to meet national security needs. Future reports will present information and data within the conceptual framework of flexible stockpile "goals" rather than "objectives." The reports will summarize the progress made towards those goals as fulfilled by the Annual Materials Plan for the pertinent six-month report period.

In August the President approved new national policies concerning the strategic and critical materials stockpile upon advice from the National Security Council. Outlined below are the key elements of the new policy:

- Planning will be based on the first three years of an emergency of indefinite duration, compared to the first year under the previous guidelines.

- The civilian portion of the economy will be provided for after some reasonable allowances for "belt tightening."

- For each year used in planning, stockpile needs will be estimated separately for defense and civilian requirements. Previous policy combined civilian and military needs rather than considering them separately.

Under this guidance, new flexible stockpile goals have been prepared on the commodities determined to be strategic and critical. These new goals replace the fixed objectives of the past as of October 1, 1976. The list of commodities and their goals as of October 1 are shown on pages 17, 18, and 19.

The Federal Preparedness Agency continued to work with the National Materials

Advisory Board on a study of materials which may become strategic and critical in the future. The study involves an examination of the effects of technology on the consumption and supply of those materials which are not currently stockpiled, but which may be in short supply under future emergency conditions.

Government inventories contain specification and nonspecification grade materials. In some cases, the nonspecification grade material is credited to stockpile objectives. Much of the nonspecification grade materials in the National Stockpile was acquired by the transfer of Government-owned surpluses to the stockpile after World War II. Some materials were of specification grade when acquired, but no longer qualify because of changes in industry practices and technological advances.

Disposal balances shown in Table II, "Summary of Government Inventories, Objectives, Excesses and Balance of Disposal Authorizations" represent statutory authorizations for sales of excess materials in the National and Supplemental Stockpiles or, in the case of Defense Production Act materials, represent sales previously approved by the Director, FPA. Inventory changes during the report period were due primarily to disposals or to reclassification and other adjustments in the inventories. There were no changes to the composition of the stockpile list during the report period.

SUMMARY OF GOVERNMENT INVENTORIES OF STRATEGIC AND CRITICAL MATERIALS

As of September 30, 1976, the estimated market value of strategic and critical materials held in Government inventories amounted to $7.5 billion, including $1.5 billion held against objectives, and $6.0 billion in excess of objectives.

Table I, "Summary of Government Inventories of Strategic and Critical Materials" summarizes the acquisition cost and total value of all materials in Government inventories, as of September 30, 1976. Table II, "Summary of Government Inventories, Objectives, Excesses and Balance of Disposal Authorizations" indicates the estimated market value of individual materials held against stockpile objectives and of those materials which are in excess of objectives. The market values are unadjusted for normal premiums and discounts relating to various grades and conditions, or for inherent materials-handling costs incurred in moving the materials at the time of disposal. The procedure for estimating the value of the stockpile materials does not take into account the strength or weakness of market conditions. For these reasons, the estimated market value does not necessarily reflect the revenue that might be obtained if the materials were offered for sale.

TABLE I

SUMMARY OF GOVERNMENT INVENTORIES OF STRATEGIC AND CRITICAL MATERIALS

September 30, 1976

			Acquisition Cost	Market Value[1]
A.	I.	Inventories Reserved for Objectives		$1,523,268,400
	II.	Uncommitted Excess Inventories[2]		$5,955,739,100
		Total		$7,479,007,500
B.	I.	Total Inventories in Storage[3]		
		National Stockpile	$2,490,814,200	$5,824,059,000
		Supplemental Stockpile	1,080,207,100	1,910,981,800
		Defense Production Act	304,549,000	265,856,300
		Total on Hand	$3,875,570,300	$8,000,897,100
	II.	Inventories Within Objective (in storage)		
		Total	$ 715,773,700	$1,523,268,400
	III.	Excess Inventories in Storage		
		Total	$3,159,796,600	$6,477,628,700

[1] Market values are computed from prices at which similar materials are being traded; or, in the absence of current trading, at an estimate of the price which would prevail in commercial markets. Market values are unadjusted for normal premiums and discounts relating to contained qualities, or for inherent materials-handling allowances. *Market values do not necessarily reflect the amount that would be realized at time of sale.*

[2] Uncommitted Excess Inventories exclude unshipped sales.

[3] Inventories in storage include quantities that have been sold but not shipped.

TABLE II

SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES, EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS

Basic Stockpile Materials
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective[1]	Total Inventory[2]	Market Value[3]	Excess[4]	Market Value[3]	Balance of Disposal Authorization
1. Aluminum	ST	0	5,426	$ 5.2	5,426	$ 5.2	5,426[5]
2. Aluminum Oxide, Abrasive Grain	ST	17,200	50,905	15.8	33,705	10.4	0
3. Aluminum Oxide, Fused, Crude	ST	0	249,009	44.9	249,009	44.9	0
4. Antimony	ST	0	40,714	132.6	40,714	132.6	0
5. Asbestos, Amosite	ST	0	42,665	14.7	42,665	14.7	24,265
6. Asbestos, Chrysotile	ST	1,100	10,955	5.0	9,855	4.4	0
7. Bauxite, Metal Grade, Jamaica	LDT	4,638,000	8,858,881	213.9	4,220,881	101.9	1,370,077
8. Bauxite, Metal Grade, Surinam	LDT	0	5,300,000	153.2	5,300,000	153.2	0
9. Bauxite, Refractory	LCT	0	173,000	20.4	173,000	20.4	0
10. Beryl Ore	ST	0	17,986	8.1	17,986	8.1	0
11. Beryllium Copper Master Alloy	LB	0	14,773,731	45.4	14,773,731	45.4	0
12. Beryllium Metal	ST	88	229	34.3	141	21.1	0
13. Bismuth	LB	95,900	2,081,298	15.6	1,985,398	14.9	0
14. Cadmium	LB	4,446,500	6,328,955	19.0	1,882,455	5.6	328,955
15. Castor Oil							
a. Castor Oil	LB	0	0	0	0	0	0
b. Sebacic Acid	LB	0	5,009,697	6.0	5,009,697	6.0	0
16. Chromite, Chemical Grade	SDT	8,400	250,000	12.7	241,600	12.3	0
17. Chromite, Metallurgical	SDT	444,710	2,484,655	267.1	2,039,945	208.7	0
18. Chromium, Ferro, High Carbon	ST	11,476	402,694	300.1	391,218	291.5	0
19. Chromium, Ferro, Low Carbon	ST	0	318,893	374.1	318,893	374.1	0
20. Chromium, Ferro, Silicon	ST	0	58,356	42.0	58,356	42.0	0
21. Chromium, Metal	ST	0	3,763	18.4	3,763	18.4	0
22. Chromite, Refractory	SDT	54,000	399,960	25.3	345,960	21.9	0
23. Cobalt	LB	11,945,000	40,693,169	179.0	28,748,169	126.5	2,493,169
24. Columbium Concentrates	LB	0	1,751,553	5.2	1,751,553	5.2	0
25. Columbium Carbide Powder	LB	16,000	21,372	0.4	5,372	0.09	1,372
26. Columbium, Ferro	LB	748,000	930,911	4.4	182,911	0.9	0
27. Columbium, Metal	LB	36,000	44,851	1.1	8,851	0.2	0
28. Copper							
a. Copper Oxygen Free, High Conductivity	ST	0	0	0	0	0	0
b. Other	ST	0	0	0	0	0	0

TABLE II

SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective[1]	Total Inventory[2]	Market Value[3]	Excess[4]	Market Value[3]	Balance of Disposal Authorization
29. Cordage Fibers, Abaca	LB	0	0	$ 0	0	$ 0	0
30. Cordage Fibers, Sisal	LB	0	0	0	0	0	0
31. Diamond Dies, Small	PC	7,900	25,473	1.1	17,573	0.8	0
32. Diamond, Industrial, Crushing Bort	KT	0	31,944,377	70.6	31,944,377	70.6	8,244,377
33. Diamond, Industrial, Stones	KT	0	19,999,999	163.0	19,999,999	163.0	0
34. Feathers and Down	LB	1,938,000	612,080	3.3	0	0	612,080[6]
35. Fluorspar, Acid Grade	SDT	0	889,991	93.4	889,991	93.4	0
36. Fluorspar, Metallurgical Grade	SDT	159,000	411,788	35.8	252,788	22.0	0
37. Graphite, Natural, Ceylon	ST	3,100	5,499	2.3	2,399	1.0	0
38. Graphite, Natural, Malagasy	ST	8,200	17,939	9.3	9,739	5.1	0
39. Graphite, Natural, Other than C&M Crystalline	ST	0	2,802	0.5	2,802	0.5	0
40. Iodine	LB	0	8,011,698	20.7	8,011,698	20.7	0
41. Jewel Bearings	PC	62,740,000	49,222,612	28.5	0	0	0
42. Lead	ST	65,100	601,060	297.5	535,960	265.3	71,162[5]
43. Manganese Battery Grade, Natural Ore	SDT	10,700	264,583	28.7	253,883	27.3	129,583
44. Manganese, Battery Grade, Synthetic Dioxide	SDT	0	3,008	1.4	3,008	1.4	1,108
45. Manganese Ore, Chemical Grade, Type A	SDT	12,800	145,586	9.5	132,786	8.7	110,586
46. Manganese Ore, Chemical Grade, Type B	SDT	12,800	75,410	5.1	62,610	4.2	40,410
47. Manganese Ore, Metallurgical	SDT	750,500	3,706,813	232.5	2,956,313	178.4	1,101,213
48. Manganese Ferro, High Carbon	ST	200,000	600,000	227.7	400,000	151.8	0
49. Manganese, Ferro, Low Carbon	ST	0	0	0	0	0	0
50. Manganese, Ferro, Medium Carbon	ST	10,500	28,920	19.6	18,420	12.5	0
51. Manganese, Silicon	ST	15,900	23,574	11.0	7,674	3.6	0
52. Manganese Metal, Electrolytic	ST	4,750	14,166	16.4	9,416	10.9	0
53. Mercury	FL	42,700	200,058	23.8	157,358	18.7	0

TABLE II

SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES,
EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective[1]	Total Inventory[2]	Market Value[3]	Excess[4]	Market Value[3]	Balance of Disposal Authorization
54. Mica, Muscovite Block, Stained and Better	LB	1,600,000	5,108,133	$ 27.2	3,508,133	$ 16.3	0
55. Mica, Muscovite Film, First and Second Qualities	LB	413,000	1,346,605	15.8	933,605	10.9	78,826
56. Mica, Muscovite Splittings	LB	2,200,000	23,084,075	27.7	20,884,075	25.1	4,024,200
57. Mica, Phlogopite Block	LB	51,000	127,773	0.04	76,773	0.02	76,773
58. Mica, Phlogopite Splittings	LB	200,000	3,183,323	3.8	2,983,323	3.6	2,233,323
59. Molybdenum							
a. Molybdenum Disulphide	LB	0	0	0	0	0	0
b. Molybdenum, Ferro	LB	0	0	0	0	0	0
c. Molybdic Oxide	LB	0	0	0	0	0	0
60. Nickel	ST	0	0	0	0	0	0
61. Opium							
a. Opium, Gum	LB	0	30,205	12.2	30,205	12.2	0
b. Opium, Salt	LB	0	39,509	16.0	39,509	16.0	0
62. Platinum Group Metals, Iridium	TrOz	1,800	17,002	5.2	15,202	4.6	12
63. Platinum Group Metals, Palladium	TrOz	328,500	1,254,994	72.2	926,494	53.3	0
64. Platinum Group Metals, Platinum	TrOz	187,500	452,645	79.2	265,145	46.4	0
65. Pyrethrum	LB	0	0	0	0	0	0
66. Quartz Crystals	LB	209,000	2,696,578	7.6	2,487,578	7.0	2,376,578
67. Quinidine	OZ	1,059,000	1,800,356	14.8	741,356	6.1	0
68. Quinine	OZ	779,500	3,246,166	20.1	2,466,666	15.3	0
69. Rubber	LT	0	120,190	106.7	120,190	106.7	0
70. Rutile	SDT	0	39,186	11.8	39,186	11.8	0
71. Sapphire and Ruby	KT	0	16,305,502	0.2	16,305,502	0.2	0
72. Shellac	LB	0	0	0	0	0	0
73. Silicon Carbide	ST	0	80,619	22.9	80,619	22.9	80,619
74. Silver	(Fine)TrOz	21,663,000	139,500,000	585.9	117,837,000	494.9	0
75. Talc, Steatite Block and Lump	ST	0	1,119	0.4	1,119	0.4	919
76. Tantalum Carbide Powder	LB	2,900	28,688	0.8	25,788	0.7	0
77. Tantalum Metal	LB	45,000	201,133	9.1	156,133	7.0	0

TABLE II

SUMMARY OF GOVERNMENT INVENTORIES, OBJECTIVES, EXCESSES AND BALANCE OF DISPOSAL AUTHORIZATIONS (Continued)

Basic Stockpile Materials
September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Objective[1]	Total Inventory[2]	Market Value[3]	Excess[4]	Market Value[3]	Balance of Disposal Authorization
78. Tantalum Minerals	LB	312,000	2,545,410	$ 40.6	2,233,410	$ 35.6	0
79. Thorium	ST	0	3,637	9.1	3,637	9.1	3,550
80. Tin	LT	40,500	203,774	1,670.6	163,274	1,338.6	3,148
81. Titanium Sponge	ST	32,329	32,329	162.3	0	0	0
82. Tungsten Carbide Powder	LB	0	2,032,833	21.9	2,032,833	21.9	2,032,833
83. Tungsten, Ferro	LB	0	2,025,463	15.7	2,025,463	15.7	2,025,463
84. Tungsten, Metal Powder, Carbon Reduced	LB	0	716,910	7.2	716,910	7.2	716,910
85. Tungsten, Metal Powder, Hydrogen Reduced	LB	0	1,048,456	11.5	1,048,456	11.5	1,048,456
86. Tungsten Ores and Concentrates	LB	4,234,000	107,248,083	815.7	103,014,083	783.5	82,080,121
87. Vanadium							
a. Vanadium, Ferro	ST	0	0	0	0	0	0
b. Vanadium Pentoxide	ST	0	539	4.7	539	4.7	0
88. Vegetable Tannin Extract, Chestnut	LT	4,400	21,465	11.5	17,065	9.1	11,965
89. Vegetable Tannin Extract, Quebracho	LT	0	164,595	85.7	164,595	85.7	113,995
90. Vegetable Tannin Extract, Wattle	LT	0	18,021	9.2	18,021	9.2	8,521
91. Zinc	ST	374,830	374,830	296.1	0	0	0

FOOTNOTES

[1] These objectives do not reflect the results of the stockpile study announced October 1, 1976.

[2] Total inventory consists of stockpile and nonstockpile grades and does not include materials already committed for sale.

[3] Market values are estimated from prices at which similar materials are being traded; or, in the absence of trading data, at an estimate of the price which would prevail in the market. Prices used are unadjusted for normal premiums and discounts relating to contained qualities or normal freight allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

FOOTNOTES (Continued)

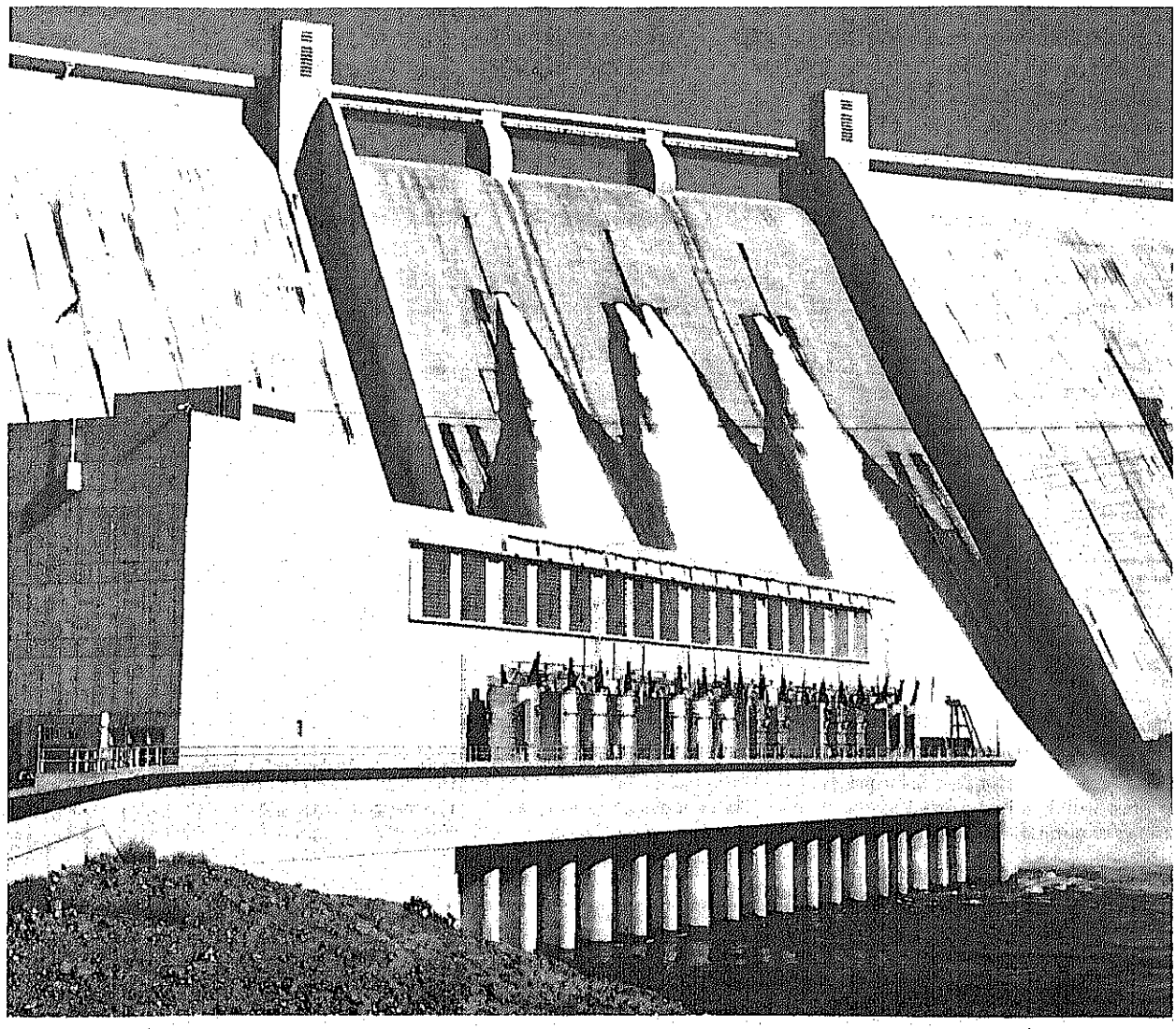
[4] Includes materials for which Congressional disposal legislation was pending as of September 30, 1976.

[5] Committed for sale but undelivered under long-term contracts.

[6] Balance available due to rotation in order to prevent deterioration.

ABBREVIATIONS

FL	-	Flask	OZ	-	Ounce
KT	-	Carat	PC	-	Piece
LB	-	Pound	SDT	-	Short Dry Ton
LCT	-	Long Calcined Ton	ST	-	Short Ton
LDT	-	Long Dry Ton	TrOz	-	Troy Ounce
LT	-	Long Ton			



The national stockpile represents a store of energy required to produce strategic and critical materials.

OTHER MATERIALS IN GOVERNMENT INVENTORIES

Inventories of materials that have been removed from the stockpile list, and of other materials for which there are no stockpile objectives, are shown in Table III. These inventories are not included in the previous tabulation.

TABLE III

SUMMARY OF GOVERNMENT INVENTORIES AND BALANCE OF DISPOSAL AUTHORIZATIONS COVERING MATERIALS FOR WHICH THERE ARE NO STOCKPILE OBJECTIVES

September 30, 1976

(Market Value - Millions of Dollars)

Commodity	Unit	Total Inventory[1]	Market Value[2]	Balance of Disposal Authorization
Asbestos, Crocidolite	ST	2,384	$ 0.2	2,384
Celestite	SDT	14,408	0.4	14,408
Diamond Tools	PC	60,183	0.7	60,183
Kyanite-Mullite	SDT	2,816	0.2	2,816
Magnesium	ST	1,121	2.1	1,121
Rare Earths	SDT	7,174	8.3	7,174
Sperm Oil	LB	18,243	0.006	18,243
Talc, Steatite Ground	ST	2,916	0.02	2,916

[1] Inventory reflects uncommitted balance.

[2] Market values are estimated from prices at which similar materials are being traded; or, in the absence of trading data, at an estimate of the price which would prevail in the market. Prices used are unadjusted for normal premiums and discounts relating to contained qualities or normal freight allowances. *The market values do not necessarily reflect the amount that would be realized at time of sale.*

STOCKPILE ACTIVITIES

Procurement

The Strategic Stockpile Procurement Directive for FY 1976, issued August 28, 1975, provided for the cash procurement of two million pieces of jewel bearings from the Government-owned William Langer Jewel Bearing Plant at Rolla, North Dakota. The plant, operated by the Bulova Watch Company, Inc., continued to produce jewel bearings for the National Stockpile and for defense contractors under the existing contract with GSA. Jewel Bearings and related items ordered from the plant for the defense program during the period July through September 1976, totaled 486,799.

Orders for "related items" totaled 27,900 during the same period. These included items made from synthetic sapphire such as domed pins, plates, knife edges, vee grooves, spacers, insulators, windows, and balls.

The plant continued to operate on a profitable basis during the report period. Net income for the three-month period ending September 30, 1976, amounted to $20,327.

Disposal Program

During July–September 1976, GSA disposal sales of excess strategic and critical materials from all Government inventories totaled $27.0 million. Of the total disposals of $27.0 million, approximately $20.8 million were from the National and Supplemental Stockpiles, $5.4 million from the Defense Production Act inventory, and $0.8 million from "other sales."

Major sales were of cobalt, $2.9 million; tin, $2.9 million; and tungsten ores and concentrates, $9.6 million. The commodities and quantities making up the total sales for this period are listed in Table IV.

Cumulative fiscal year sales since the inception of the disposal program total approximately $7.2 billion. (Figures 1 and 2, page 13.)

Storage and Maintenance

On September 30, 1976, GSA stored approximately 33 million tons of strategic materials at 121 locations as follows:

Military Depots	34
GSA Depots	28
Other Government-owned Sites	14
Leased Commercial Sites	12
Industrial Plantsites	33
Total	121

Following heavy disposals of stockpile materials during the past few years, continued progress was made in storage consolidation in order to return unneeded warehouse space to the Public Buildings Service. During July-September 1976, 240,000 square feet at GSA depots were vacated and returned to PBS.

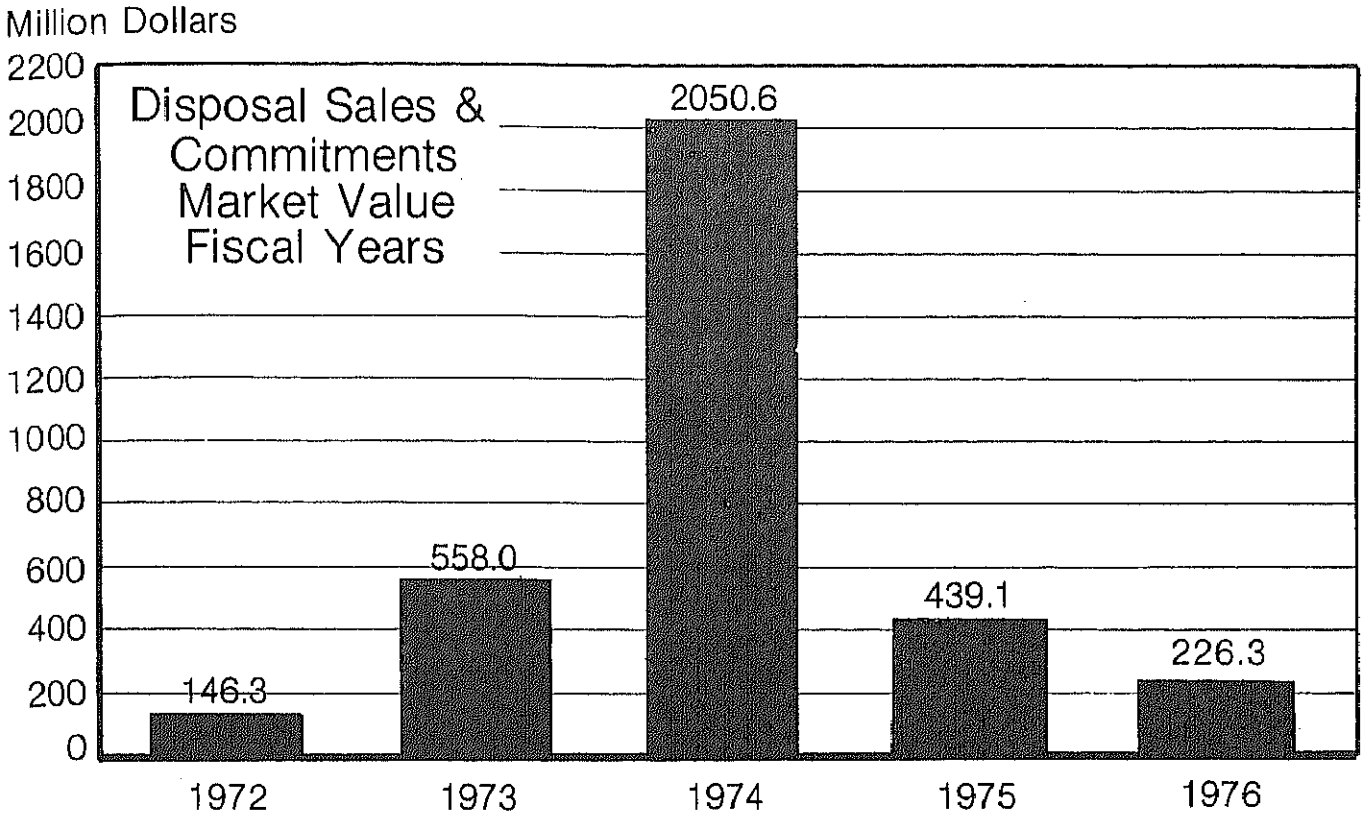
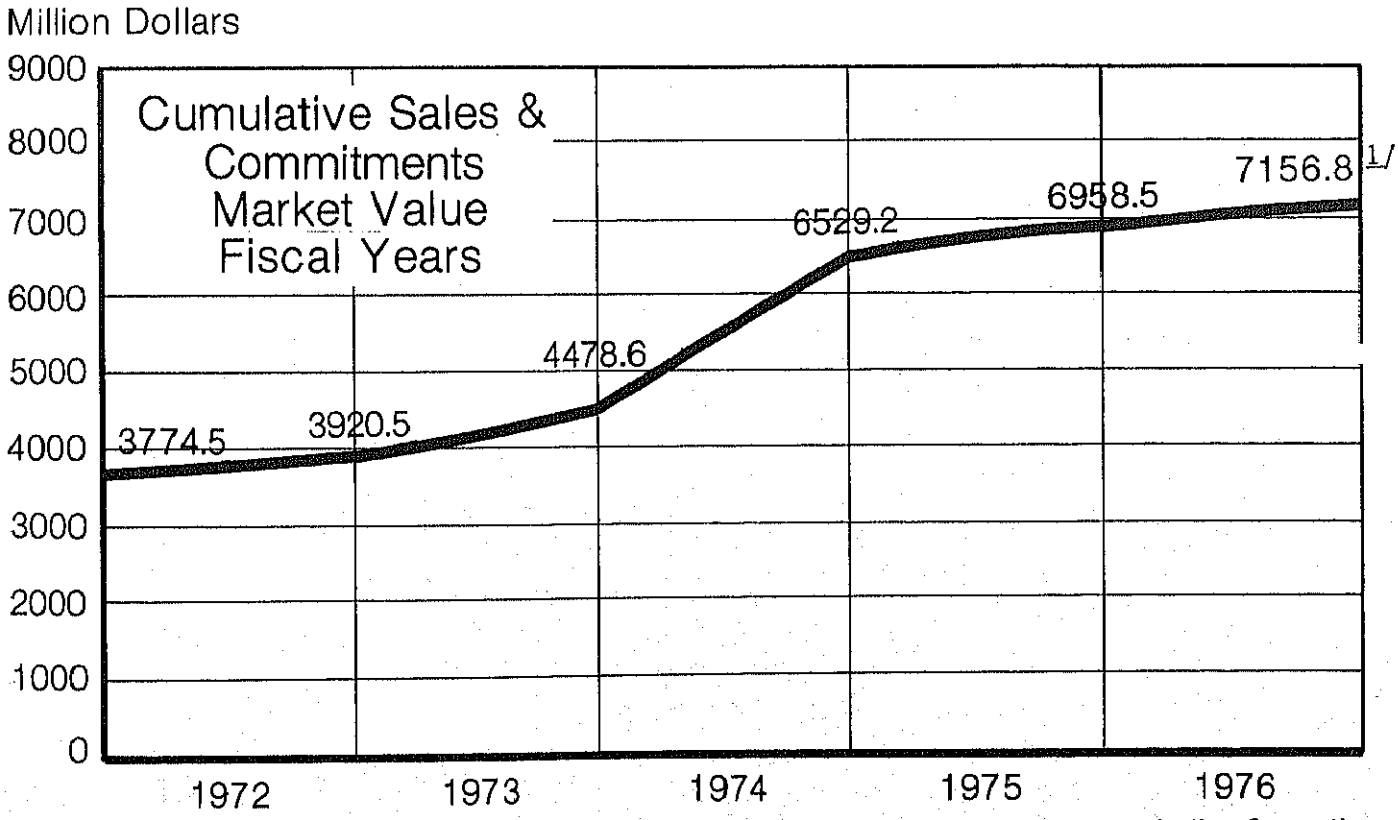


Figure 1

Including 3-month Budget Transition Quarter



1/ Reflects adjustment for the cancellation or curtailment of selected disposal programs.

Figure 2

Including 3-month Budget Transition Quarter

TABLE IV

DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS

July–September 1976

Material	Unit	Quantity	Sales Commitments: Government Use	Sales Commitments: Industrial Use	Total Sale Value
NATIONAL AND SUPPLEMENTAL STOCKPILE INVENTORIES:					
Aluminum	ST	278	$	$ 216,840	$ 216,840
Asbestos, Amosite	ST	150		51,750	51,750
Asbestos, Crocidolite	ST	-99[1]		-15,020[1]	-15,020[1]
Cobalt	LB	553,841		2,866,295	2,866,295
Copper Oxygen Free, High Conductivity	ST	500	700,000		700,000
Copper, Other	ST	1,205	1,687,000		1,687,000
Diamond, Industrial, Bort	KT	485,500		1,058,357	1,058,357
Diamond, Industrial, Stones	KT		5,283,154[1]		5,283,154[1]
Mica, Muscovite Film	LB	2,824		10,569	10,569
Mica, Muscovite Splittings	LB	625,000		584,340	584,340
Mica, Phlogopite Splittings	LB	88,481		55,002	55,002
Molybdenum Disulphide	LB	130,151		888,514	888,514
Molybdenum Oxide	LB			5,600[1]	5,600[1]
Quartz Crystals	LB	56,907		305,711	305,711
Rare Earths	SDT	28		8,611	8,611
Talc, Steatite Block and Lump	ST	30		9,200	9,200
Thorium Nitrate	LB	6,300		14,175	14,175
Tin	LT	350		2,853,480	2,853,480
Tungsten Ores and Concentrates	LB	614,451		4,224,677	4,224,677
Vegetable Tannin:					
Quebracho	LT	63	29,666		29,666
Total NATIONAL AND SUPPLEMENTAL STOCKPILES			$7,699,820	$ 13,138,101	$ 20,837,921
DEFENSE PRODUCTION ACT INVENTORY:					
Manganese, Metallurgical	SDT	2,800	$	$ 97,346	$ 97,346
Mica, Muscovite Film	LB	991		4,645	4,645
Tungsten Ores and Concentrates	LB	756,518		5,333,145	5,333,145
Total DPA			$	$ 5,435,136	$ 5,435,136

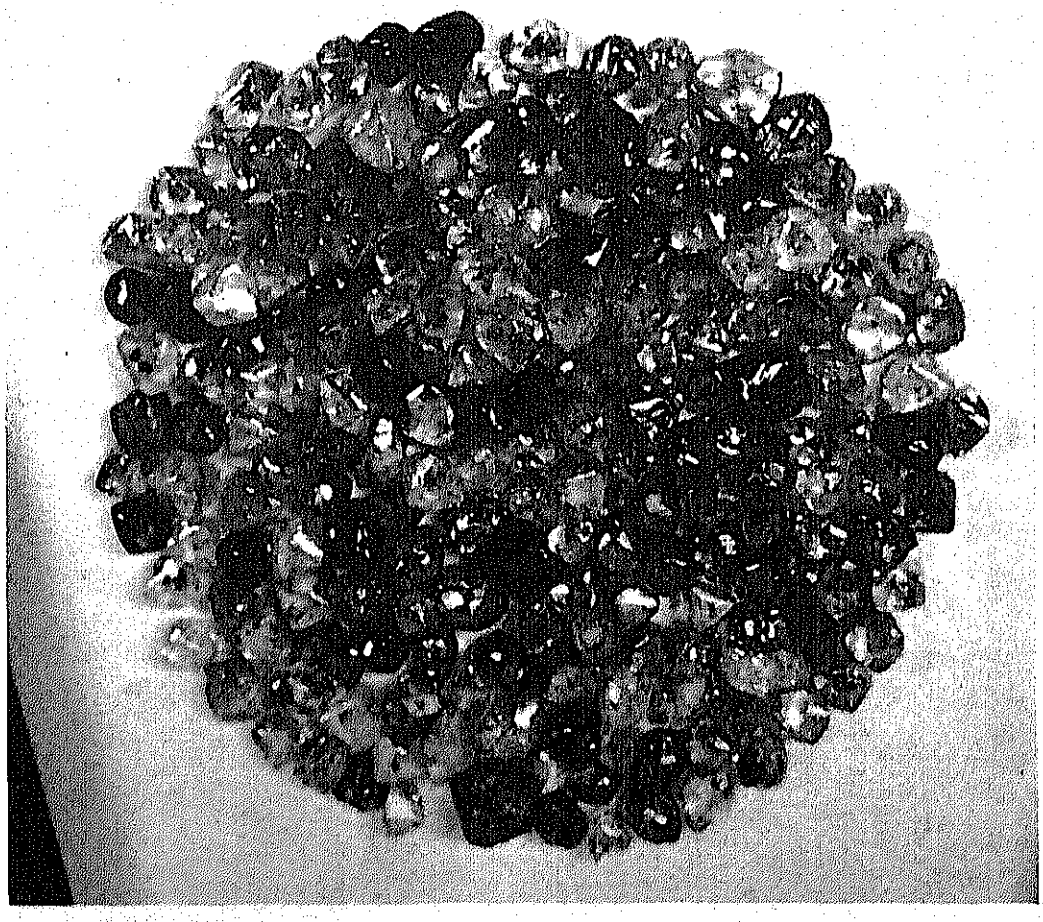
TABLE IV

DISPOSALS OF STRATEGIC AND CRITICAL MATERIALS (Continued)

July–September 1976

Material	Unit	Quantity	Sales Commitments: Government Use	Sales Commitments: Industrial Use	Total Sale Value
OTHER:					
Lithium	LB	943,444	$	$ 766,124	$ 766,124
Total OTHER			$	$ 766,124	$ 766,124
GRAND TOTAL			$7,699,820	$ 19,339,361	$ 27,039,181

[1] Represents adjustments to prior year contracts.



Industrial diamonds are the hardest naturally - occuring substance.

Stockpile Disposal Legislation

Public Law 94-359 was enacted July 12, 1976. This law permits GSA to honor the contracts for disposal of excess stockpile sperm oil, pursuant to the notice published in the Federal Register January 9, 1973, which covered 23,400,000 pounds of sperm oil.

On August 5, 1976, Congressman Charles E. Bennett introduced H.R. 15081, a bill to authorize the disposal of various materials from the national stockpile and the supplemental stockpile, and for other purposes which provided for a fund into which sales receipts would be covered and from which revenues for acquisitions would be appropriated. This bill combined the four Administration bills on antimony, industrial diamond stones, silver, and tin introduced in April 1976.

On August 25 the Subcommittee on National Stockpile and Naval Petroleum Reserves of the Senate Armed Services Committee held hearings on antimony, S. 3346; industrial diamond stones, S. 3347; silver, S. 3344; and tin, S. 3345. On August 26, 1976, the Subcommittee on Seapower and Strategic and Critical Materials of the House Armed Services Committee held hearings on H.R. 15081. The Director, FPA, appeared before the Subcommittees to testify in support of these bills.

The Senate Subcommittee favored disposal of quantities of the four materials from the national stockpile, but would only authorize the disposal of 2.5 million carats of industrial diamond stones rather than the 8.5 million carats requested by the Administration which was favorably reported by the House Armed Services Committee. The Senate measure contained no provision similar to H.R. 15081 to establish a revolving fund.

On September 13, 1976, the House Committee on Armed Services reported favorably without amendment H.R. 15081. The House failed to pass H.R. 15081 under suspension of the rules September 20, 1976.

These bills were not enacted when the 94th Congress adjourned October 1, 1976.

TABLE V

EXPENDITURES OF STOCKPILE FUNDS, BY TYPE
(for the National Stockpile)

Cumulative and for Transition Quarter (7/1 through 9/30/76)

Type of Expenditures	Cumulative Through June 30, 1976	Transition Quarter Ended September 30, 1976	Cumulative Through September 30, 1976
Expenditures			
Grand Total	$6,611,728,772	$2,178,300	$6,613,907,072
Less: Receipts from Rotation Sales and Reimbursements	547,063,108	-[1]	547,063,108
Net Total	6,064,665,664	2,178,300	6,066,843,964
Materials Acquisition Costs, Total	5,442,876,581	-3,823	5,442,872,758
Stockpile Maintenance Costs, Total	492,734,741	535,590	493,270,331
Facility Construction	43,772,457	-	43,772,457
Storage and Handling Costs	346,124,038	535,590	346,659,628
Net Rotation Costs	102,838,246	-	102,838,246
Administrative Costs	112,497,193	1,646,533	114,143,726
Operations, Machine Tool Program	16,557,149	-	16,557,149

Cumulative figures are the total expenditures under PL 117, 76th Congress and PL 520, 79th Congress. Expenditures under PL 117 totaled $70,000,000 of which $55,625,237 was for materials acquisition costs and $14,374,763 was for other costs. Final expenditures under PL 117 were made in FY 1951.

[1] Does not include receipts from Rotation Sales during the 1976 transition quarter of $781,706 which are held for replacement of material sold under the Rotation Program.

TABLE VI

TOTAL OBLIGATIONS AND EXPENDITURES OF STOCKPILING FUNDS

Under PL 117 and PL 520 for the National Stockpile
Cumulative and by Fiscal Period through September 30, 1976

Fiscal Period	OBLIGATIONS INCURRED[1]		EXPENDITURES[2]	
	Net Change by Fiscal Period	Cumulative As of End of Period	By Fiscal Period	Cumulative As of End of Period
Prior to Fiscal Year 1948	$ 123,871,685	$ 123,871,685	$ 66,330,731	$ 66,330,731
Fiscal Year 1948	252,901,411	376,773,096	82,907,575	149,238,306
Fiscal Year 1949	459,766,881	836,539,977	304,486,177	453,724,483
Fiscal Year 1950	680,427,821	1,516,967,798	440,834,970	894,559,453
Fiscal Year 1951	2,075,317,099	3,592,284,897	655,537,199	1,550,096,652
Fiscal Year 1952	948,117,547	4,540,402,444	844,683,459	2,394,780,111
Fiscal Year 1953	252,375,163	4,792,777,607	906,158,850	3,300,938,961
Fiscal Year 1954	116,586,681	4,909,364,288	644,760,321	3,945,699,282
Fiscal Year 1955	321,799,833	5,231,164,121	801,310,094	4,747,009,376
Fiscal Year 1956[3]	251,692,667	5,482,856,788	382,011,786[3]	5,129,021,162[3]
Fiscal Year 1957	190,000,109	5,672,856,897	354,576,558	5,483,597,720
Fiscal Year 1958	54,473,250	5,727,330,147	173,753,997	5,657,351,717
Fiscal Year 1959	38,710,879	5,766,041,026	65,260,098	5,722,611,815
Fiscal Year 1960	19,859,290	5,785,900,316	49,227,142	5,771,838,957
Fiscal Year 1961	29,082,919	5,814,983,235	33,325,431	5,805,164,388
Fiscal Year 1962	31,179,407	5,846,162,642	33,695,431	5,838,859,819
Fiscal Year 1963	17,414,900	5,863,577,542	22,104,176	5,860,963,995
Fiscal Year 1964	15,489,597	5,879,067,139	16,091,067	5,877,055,062
Fiscal Year 1965	16,288,732	5,895,355,871	16,561,275	5,893,616,337
Fiscal Year 1966	16,296,070	5,911,651,941	16,468,100	5,910,084,437
Fiscal Year 1967	18,197,410	5,929,849,351	17,981,675	5,928,066,112
Fiscal Year 1968	16,008,237	5,945,857,588	15,902,213	5,943,968,325
Fiscal Year 1969	15,451,611	5,961,309,199	15,914,729	5,959,883,054
Fiscal Year 1970	14,795,005	5,976,104,204	13,799,261	5,973,682,315
Fiscal Year 1971	17,529,398	5,993,633,602	15,797,095	5,989,479,410
Fiscal Year 1972	19,377,781	6,013,011,383	17,077,779	6,006,557,189
Fiscal Year 1973	15,704,293	6,028,715,676	15,710,849	6,022,268,038
Fiscal Year 1974	20,585,490	6,049,301,166	19,359,315	6,041,627,353
Fiscal Year 1975	13,259,270	6,062,560,436	13,923,141	6,055,550,494
Fiscal Year 1976	8,998,088	6,071,558,524	9,115,170	6,064,665,664
Transition Quarter	2,629,246	6,074,187,770	2,178,300	6,066,843,964

[1] Figures are the sum of obligations incurred under PL 520, 79th Congress and PL 117, 76th Congress. Final obligations under PL 117, 76th Congress were incurred in Fiscal Year 1949.

[2] Figures are the sum of expenditures under PL 520, 79th Congress and PL 117, 76th Congress. Final expenditures under PL 117, 76th Congress were made in Fiscal Year 1951.

[3] 1956 and subsequent fiscal periods and cumulative expenditures are reported on an accrual basis.

STOCKPILE GOALS
OCTOBER 1, 1976

Alumina	ST	11,532,000
Aluminum	ST	0
Aluminum Oxide, Abrasive Grain	ST	75,000
Aluminum Oxide, Fused, Crude	ST	147,615
Antimony	ST	20,130
Asbestos, Amosite	ST	26,291
Asbestos, Chrysotile	ST	0
Bauxite, Metal Grade, Jamaica	LDT	523,000
Bauxite, Metal Grade, Surinam	LDT	0
Bauxite, Refractory	LCT	2,083,000
Beryl Ore (11% BeO)	ST	0
Beryllium Copper Master Alloy	ST	16,710
Beryllium Metal	ST	895
Bismuth	LB	771,000
Cadmium	LB	24,701,000
Castor Oil, Sebacic Acid	LB	0
Chromite, Chemical Grade Ore (Gross Weight)	SDT	734,000
Chromite, Metallurgical Grade Ore (Gross Weight)	SDT	2,550,000
Chromite, Refractory Grade Ore (Gross Weight)	SDT	642,000
Chromium, Ferro, High Carbon	ST	236,000
Chromium, Ferro, Low Carbon	ST	124,000
Chromium, Ferro, Silicon	ST	69,000
Chromium, Metal	ST	10,000
Cobalt	LB Co	85,415,000
Columbium Carbide Powder	LB Cb	0
Columbium Concentrates	LB Cb	3,131,000
Columbium, Ferro	LB Cb	0
Columbium, Metal	LB Cb	0
Copper	ST	1,299,000
Cordage Fibers, Abaca	LB	24,000,000
Cordage Fibers, Sisal	LB	114,000,000
Diamond Dies, Small	PC	0
Diamond, Industrial, Crushing Bort	KT	14,974,000
Diamond, Industrial, Stones	KT	5,559,000
Feathers and Down	LB	6,494,000
Fluorspar, Acid Grade	SDT	1,594,000
Fluorspar, Metallurgical Grade	SDT	1,914,000
Graphite, Natural-Ceylon, Amorphous Lump	ST	6,271

Graphite, Natural-Malagasy, Crystalline	ST	20,472
Graphite, Natural-Other than C&M	ST	34,748
Iodine	LB	3,333,000
Jewel Bearings	PC	224,623,000
Lead	ST	865,000
Manganese, Battery Grade, Natural Ore	SDT	12,736
Manganese, Battery Grade, Synthetic Dioxide	SDT	19,105
Manganese Ore, Chemical Grade	SDT	247,136
Manganese Ore, Metallurgical Grade	SDT	2,052,000
Manganese, Ferro, High Carbon	ST	439,000
Manganese, Ferro, Low Carbon	ST	0
Manganese, Ferro, Medium Carbon	ST	99,000
Manganese, Ferro, Silicon	ST	81,000
Manganese Metal, Electrolytic	ST	15,000
Mercury	FL	54,004
Mica, Muscovite Block, Stained and Better	LB	6,188,000
Mica, Muscovite Film, First and Second Qualities	LB	90,000
Mica, Muscovite Splittings	LB	12,631,000
Mica, Phlogopite Block	LB	206,064
Mica, Phlogopite Splittings	LB	932,000
Molybdenum Disulphide	LB Mo	0
Molybdenum, Ferro	LB Mo	0
Nickel	ST Ni+Co.	204,335
Opium, Gum	LB	0
Opium, Salt	LB	75,000
Platinum Group Metals, Iridium	TrOz	97,761
Platinum Group Metals, Palladium	TrOz	2,450,000
Platinum Group Metals, Platinum	TrOz	1,314,000
Pyrethrum	LB	377,851
Quartz Crystals	LB	0
Quinidine	AvOz	6,841,000
Quinine	AvOz	3,045,000
Rubber	LT	513,134
Rutile	SDT	173,928
Sapphire and Ruby	KT	0
Shellac	LB	8,529,000
Silicon Carbide, Crude	ST	306,628
Silver (Fine)	TrOz	0
Talc, Steatite Block and Lump	ST	104
Tantalum Carbide Powder	LB Ta	889,000
Tantalum Metal	LB Ta	1,650,000

Tantalum Minerals	LB Ta	5,452,000
Thorium Nitrate (ThO_2)	ST	418
Tin	LT	32,499
Titanium Sponge	ST	131,503
Tungsten Carbide Powder	LB W	12,845,000
Tungsten, Ferro	LB W	17,769,000
Tungsten, Metal Powder	LB W	3,290,000
Tungsten, Ores and Concentrates	LB W	8,823,000
Vanadium, Ferro	ST V	10,095
Vanadium Pentoxide	ST V	2,576
Vegetable Tannin Extract, Chestnut	LT	6,942
Vegetable Tannin Extract, Quebracho	LT	37,998
Vegetable Tannin Extract, Wattle	LT	20,208
Zinc	ST	1,313,000

ABBREVIATIONS

AvOz	Avoirdupois Ounce	LDT	Long Dry Ton
FL	Flask (76-pound)	LT	Long Ton
KT	Carat	OZ	Ounce
LB	Pound	PC	Piece
LB Cb	Pounds of Contained Columbium	SDT	Short Dry Ton
LB Co	Pounds of Contained Cobalt	ST	Short Ton
LB Mo	Pounds of Contained Molybdenum	ST Ni+Co.	Short Tons of Contained Nickel plus Cobalt
LB Ta	Pounds of Contained Tantalum	ST V.	Short Tons of Contained Vanadium
LB W	Pounds of Contained Tungsten	TrOz	Troy Ounces
LCT	Long Calcined Ton		

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